

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED)	
GAS ADJUSTMENT FILING OF)	CASE NO. 8568-EE
PENDLETON COUNTY WATER)	
DISTRICT, GAS DIVISION)	

O R D E R

On December 8, 1982, the Commission issued its Order in Case No. 8568 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On August 7, 1986, Pendleton County Water District, Gas Division, ("Pendleton") notified the Commission that it will receive an increase in rates from its supplier, Columbia Gas Transmission Corporation ("Transmission"), effective September 1, 1986, and submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission.

After reviewing the record in this case and being advised, the Commission is of the opinion and finds that:

(1) Pendleton's notice of August 7, 1986, set out certain revisions in rates which Pendleton proposes to place into effect, said rates being designed to pass on a wholesale increase in rates from its supplier in the amount of \$11,841 or 6.76 cents per Mcf.

(2) Transmission filed an application for increased rates with the Federal Energy Regulatory Commission to become effective September 1, 1986. This increase is subject to refund.

(3) A Legislative change in KRS Chapter 278, effective July 15, 1986, requires 30 days' notice of a change in rates, with the Commission having the discretion to shorten the required period to 20 days upon showing of good cause. Reductions in rates will, as always, be made effective with the date of the supplier decrease. Increases in rates will continue to be effective with 20 days' notice providing that: 1) the effective date from the supplier is not more than 20 days in the future, in which case the actual effective date will be used, and 2) the company has included in its filing a specific request that a tariff sheet or some other notification from the supplier be considered a showing of good cause for 20 days' notice. The Commission on its own motion will allow Pendleton 20 days' notice in this case.

(4) Pendleton's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order of December 8, 1982, is fair, just and reasonable and in the public interest and should be effective with gas supplied on and after September 1, 1986. Pendleton's increase should be subject to refund because Transmission's is subject to refund.

IT IS THEREFORE ORDERED that:

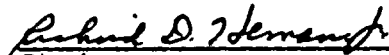
(1) The rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after September 1, 1986, subject to refund.

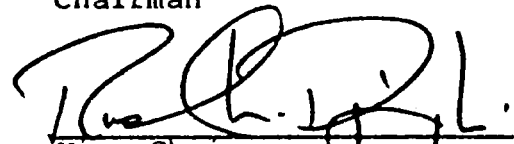
(2) Within 30 days of the date of this Order Pendleton shall file with this Commission its revised tariffs setting out the rates authorized herein.

(3) In future filings for rate increases Pendleton shall specifically request 20 days' notice upon showing of good cause, as directed herein.

Done at Frankfort, Kentucky, this 21st day of August, 1986.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE COMMISSION IN CASE NO. 8568-EE DATED 8/21/86

The following rates are prescribed for the customers served by Pendleton County Water District, Gas Division. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under the authority of the Commission prior to the date of this Order.

RATES: MONTHLY

RATES PER UNIT

Residential:

0 - 1 Mcf (Minimum Charge)	\$5.91 Per Month
1 - 2 Mcf	5.5465 Per Mcf
2 - 6 Mcf	5.5212 Per Mcf
Over 6 Mcf	5.5162 Per Mcf

Commercial:

0 - 1 Mcf (Minimum Charge)	\$6.46 Per Month
1 - 20 Mcf	5.5162 Per Mcf
20 - 30 Mcf	5.5112 Per Mcf
30 - 40 Mcf	5.5062 Per Mcf
40 - 50 Mcf	5.5012 Per Mcf
Over 50 Mcf	5.4962 Per Mcf

SMALL INDUSTRIAL:

All Mcf	\$4.7649 Per Mcf
---------	------------------

SPECIAL CONTRACTS:

Firm Gas Service:

MAGO Construction Co., Inc.,	\$4.5586 Per Mcf
------------------------------	------------------

For the purpose of the future application of the purchased gas adjustment clause of Pendleton County Water District, Gas Division, the base rate for purchased gas shall be:

	<u>Commodity</u>
Columbia Gas Transmission Corporation Schedule SGS	\$4.0398 Per Dth